Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 IO-10 PA-01

PRS-01 USIA-06 NEA-09 /110 W

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R 071445Z FEB 75 FM AMCONSUL ISTANBUL TO SECSTATE WASHDC 5828 INFO AMEMBASSY ANKARA AMEMBASSY LONDON

CONFIDENTIALISTANBUL 0444

E.O. 11652: GDS

TAGS: BGEN, ENRG, TU

SUBJ: GOT TAKES INITIAL STEP TOWARD POSSIBLE NATIONALIZATION OF ATAS REFINERY

REF: ISTANBUL 0288

1. ACCORDING MOBIL GENMGR CASANOVA, MOBIL AND BP RECEIVED LETTERS FEB 6 FROM TURKISH PETROLEUM ADMINISTRATION INFORMING COMPANIES THAT AS OF THAT DATE ARTICLE 132 OF PETROLEUM LAW WAS BEING APPLIED. HENCE, IF COMPANIES DID NOT TAKE STEPS WITHIN 90 DAYS TO SUPPLY THEIR SHARE OF DOMESTIC MARKET, MINISTER OF ENERGY WOULD BE ASKED TO REVOKE COMPANY'S INVESTMENT CERTIFICATE.

2. CASANOVA SAID PRESIDENT OF MOBIL EUROPE WILL BE IN TURKEY FEB
10-11 AND HE ATTEMPTING ARRANGE MEETING WITH PRIMIN IRMAK. CASANOVA
SAID COMPANY BELIEVES MATTERS HAVE PROGRESSED TO STAGE WHERE ONLY
ACTION "AT HIGHEST LEVEL" LIKELY BE EFFECTIVE. HE TERMED GOT ACTION PARTICULARLY SURPRISING SINCE MOBIL HAD BEEN AWAITING FORMAL RESPONSE FROM ENERGY MINISTER ISIK TO NEW PRICING PROPOSALS
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(SEE REFTEL) MADE LAST WEEK WHICH ISIK HAD CHARACTERIZED AS "VERY

CONSTRUCTIVE." CASANOVA HAS APPOINTMENT TO SEE ISIK ON KNB 11.

3. SINCE BEGINNING THIS WEEK, TURKISH PETROLEIM COMPANY HAS STOPPED SUPPLYING
MOBIL WITH GASOLINE AND FUEL OIL. ACCORDING
CASANOVA, EXISTING INVENTORIES WILL LASTUNTIL END OF THIS
MONTH AT WHICH POINT MOBIL WILL BE UNABLE SUPPLY ITS DISTRIBUTORS.

4. COMMENT: CASANOVA SAID HE WANTED TO KEEP US INFORMED OF DE-VELOPMENTS. AT PRESENT MOBIL NOT RPT NOT ASKING FOR USG ASSISTANCE. HE SAID MOBIL WOULD MAKE EFFORT TO CONVINCE PRIMIN THAT GOT PRICE DEMANDS TOTALLY UNREALISTIC AND UNJUSTIFIED AND ASK WHETHER GOT INTENT IS TO FORCE MOBIL OUT OF TURKEY. MOBIL VIEWS LATEST ACTION AS ESCALATION OF PRESSURE. HOWEVER IN ADDITION TO STATING THAT ARTICLE 132 IS BEING PUT INTO EFFECT, THE LETTER ALSO REFERS TO A CLAUSE IN LAST DECEMBER'S GOT DECREE FIXING THE PRICE OF IMPORTED CRUDE WHICH PERMITS THE MINENERGY TO REVISE PRICES AS NECESSARY. MOBIL INTERPRETS THIS AS INTENTION ON PART OF GOT TO KEEP ITS OPTIONS OPEN DURING 90-DAY WARNING PERIOD.

MACE

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Message Attributes

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Concepts: PETROLEUM INDUSTRY, NATIONALIZATION, INVESTMENTS

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